

House Study Bill 670

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ENVIRONMENTAL PROTECTION
BILL BY CHAIRPERSON GREINER)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the comprehensive petroleum underground
2 storage tank fund.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6359HC 80
5 tm/gg/14

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1 1 Section 1. Section 455G.2, Code 2003, is amended by adding
1 2 the following new subsections:
1 3 NEW SUBSECTION. 0A. "Aboveground petroleum storage tank"
1 4 means the same as defined in section 101.21.
1 5 NEW SUBSECTION. 0B. "Aboveground petroleum storage tank
1 6 site" means the same as "tank site" as defined in section
1 7 101.21, subsection 8.
1 8 Sec. 2. Section 455G.3, subsection 3, Code Supplement
1 9 2003, is amended by adding the following new paragraph:
1 10 NEW PARAGRAPH. e. To establish an aboveground petroleum
1 11 storage tank fund as provided in section 455G.23.
1 12 Sec. 3. Section 455G.9, subsection 1, Code Supplement
1 13 2003, is amended by adding the following new paragraph:
1 14 NEW PARAGRAPH. 1. Costs for the permanent closure of an
1 15 underground storage tank system that was in place on the date
1 16 an eligible claim was submitted under paragraph "a".
1 17 Reimbursement is limited to costs approved by the board prior
1 18 to the closure activities and the closure activities must be
1 19 completed not later than December 31, 2005.
1 20 Sec. 4. NEW SECTION. 455G.23 ABOVEGROUND PETROLEUM
1 21 STORAGE TANK FUND.
1 22 1. An aboveground petroleum storage tank fund is created
1 23 as a separate fund in the state treasury under the control of
1 24 the board. The board shall administer the aboveground
1 25 petroleum storage tank fund. Notwithstanding section 8.33,
1 26 moneys remaining in the aboveground petroleum storage tank
1 27 fund at the end of each fiscal year shall not revert to the
1 28 general fund but shall remain in the aboveground petroleum
1 29 storage tank fund. The aboveground petroleum storage tank
1 30 fund shall include, notwithstanding section 12C.7, interest
1 31 earned by the aboveground petroleum storage tank fund or other
1 32 income specifically allocated to the aboveground petroleum
1 33 storage tank fund.
1 34 2. The board may reimburse the owner of an aboveground
1 35 petroleum storage tank site up to twenty-five thousand dollars
2 1 per site, but not more than a total of one hundred thousand
2 2 dollars per owner, for the upgrade or permanent closure of the
2 3 aboveground petroleum storage tank site provided all of the
2 4 following criteria are met:
2 5 a. By January 1, 2004, the aboveground petroleum storage
2 6 tank site was registered with the state fire marshal pursuant
2 7 to section 101.22.
2 8 b. The aboveground petroleum storage tank contains
2 9 petroleum as defined in section 455B.471.
2 10 c. Not later than February 18, 2005, the owner shall
2 11 submit an application for reimbursement, on a form provided by
2 12 the board.
2 13 d. Upgrade expenses must be incurred after May 1, 2004,
2 14 and not later than February 18, 2005. Upgrade activities
2 15 include the installation or improvement of equipment or
2 16 systems required to comply with 40 C.F.R. } 112, including:
2 17 (1) Secondary containment.
2 18 (2) Corrosion protection.
2 19 (3) Loss prevention.
2 20 (4) Security.
2 21 (5) Drainage.
2 22 (6) Riveted tanks.

2 23 e. Permanent closure activities, including tank system
2 24 removal, decommission, and disposal, must occur after January
2 25 1, 2004, and not later than December 31, 2005, unless the
2 26 owner is a party to an agreement entered into pursuant to
2 27 subsection 3 and the tanks meet one of the following criteria:
2 28 (1) All tanks are empty by February 18, 2005.
2 29 (2) All tanks containing petroleum on or after February
2 30 18, 2005, meet the requirements of 40 C.F.R. } 112 et seq.
2 31 3. The board, or a contractor approved under subsection 6,
2 32 may enter into contracts with qualified businesses to provide
2 33 permanent closure services at eligible aboveground petroleum
2 34 storage tank sites. The board or a contractor may limit
2 35 reimbursement to those activities approved under the terms of
3 1 the contracts. The board or a contractor may allow permanent
3 2 closure activities to occur and be reimbursed after February
3 3 18, 2005, at those tank sites where the owner timely applied
3 4 for reimbursement and agreed to allow the board or a
3 5 contractor to complete the permanent closure at a time
3 6 determined to be convenient to the board. All activities
3 7 conducted under this subsection must be completed by December
3 8 31, 2006.
3 9 4. The board may enter into an agreement authorized under
3 10 chapter 28E with the state fire marshal for the development
3 11 and maintenance of a database to track registration, technical
3 12 information, and other information determined necessary to
3 13 evaluate the operation and safety of aboveground petroleum
3 14 storage tank sites in Iowa.
3 15 5. The board may limit reimbursement to those activities
3 16 that receive prior budget approval from the board.
3 17 6. The board may enter into a contract with a qualified
3 18 business to provide for administration of this section.

3 19 EXPLANATION

3 20 This bill relates to the comprehensive petroleum
3 21 underground storage tank fund.
3 22 The bill provides that moneys in the remedial account of
3 23 the fund may be used for costs for the permanent closure of an
3 24 underground storage tank system that was in place on the date
3 25 an eligible claim was submitted under the remedial account.
3 26 The bill provides that reimbursement is limited to costs
3 27 approved by the board prior to the closure activities and the
3 28 closure activities must be completed not later than December
3 29 31, 2005.
3 30 The bill establishes an aboveground petroleum storage tank
3 31 fund as a separate fund in the state treasury under the
3 32 control of the Iowa comprehensive petroleum underground
3 33 storage tank board. The bill provides that the board may
3 34 enter into a contract with a qualified business to provide for
3 35 administration of the fund. The bill provides that the board
4 1 may reimburse the owner of an aboveground petroleum storage
4 2 tank site up to \$25,000 per site, but not more than a total of
4 3 \$100,000 per owner, for the upgrade or permanent closure of
4 4 the aboveground petroleum storage tank site provided all of
4 5 the following criteria are met:
4 6 1. By January 1, 2004, the aboveground petroleum storage
4 7 tank site was registered with the state fire marshal.
4 8 2. The aboveground petroleum storage tank contains
4 9 petroleum.
4 10 3. Not later than February 18, 2005, the owner submits an
4 11 application for reimbursement.
4 12 4. Upgrade expenses are incurred after May 1, 2004, and
4 13 not later than February 18, 2005.
4 14 5. Permanent closure activities, including tank system
4 15 removal, decommission, and disposal, occur after January 1,
4 16 2004, and not later than December 31, 2005, unless the owner
4 17 is subject to a contract with a qualified business and the
4 18 tanks meet certain criteria.
4 19 The board, or a contractor, may enter into contracts with
4 20 qualified businesses to provide permanent closure services at
4 21 eligible aboveground petroleum storage tank sites. The board,
4 22 or a contractor, may limit reimbursement to those activities
4 23 approved under the terms of the contracts. The board, or a
4 24 contractor, may allow permanent closure activities to occur
4 25 and be reimbursed after February 18, 2005, at those tank sites
4 26 where the owner timely applied for reimbursement and agreed to
4 27 allow the board or a contractor to complete the permanent
4 28 closure at a time determined to be convenient to the board.
4 29 All activities conducted under these provisions must be
4 30 completed by December 31, 2006.
4 31 The board may enter into an agreement authorized under Code
4 32 chapter 28E with the state fire marshal for the development
4 33 and maintenance of a database to track registration, technical

4 34 information, and other information determined necessary to
4 35 evaluate the operation and safety of aboveground petroleum
5 1 storage tank sites in Iowa.
5 2 The board may limit reimbursement to those activities that
5 3 receive prior budget approval from the board.
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